

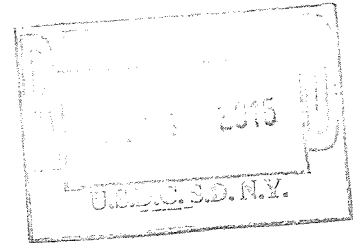
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

JUDGE ADAMS

_____	X	
SUZHOU SHYA HSIN	:	
PLASTIC CO., LTD. and	:	
SHYA HSIN PACKAGING USA CORP.,	:	Civil Action No.:
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
ZEN DESIGN SOLUTIONS LIMITED,	:	
	:	
Defendant.	:	
_____	X	

Civil Action No.:

15 CV 1077



**COMPLAINT**

Plaintiffs, Suzhou Shya Hsin Plastic Co., Ltd. and Shya Hsin Packaging USA Corp. (collectively “Shya Hsin”), for their Complaint against Defendant, Zen Design Solutions Limited (“Zen Design”), allege as follows:

**INTRODUCTION**

This is an action for a declaratory judgment that two U.S. patents of which Zen Design is the recorded owner, are invalid, unenforceable, and not infringed by a mascara brush applicator which Shya Hsin manufactured and sells to customers in the United States including in this Judicial District. This is also an action for damages and injunctive relief for tortious interference with Shya Hsin’s contractual and prospective business relationships arising from Zen Design’s allegation of patent infringement against a Shya Hsin customer located in this Judicial District, and Zen Design’s express refusal to deal directly with Shya Hsin.

**THE PARTIES**

1. Suzhou Shya Hsin Plastic Co., Ltd. is a corporation organized and existing under the laws of the People's Republic of China with its principal place of business at No. 139 Heilongjiang Road, Kunshan, Jiangsu 215300 China (hereinafter "Shya Hsin China").

2. Shya Hsin China is engaged in the business of research and development, product design and manufacturing of containers, packages and applicators for dispensing a wide variety of cosmetic products such as lipstick, mascara and eye makeup pens. Shya Hsin China designs and creates unique and innovative cosmetic dispensers for major cosmetic brands throughout the world and within in this Judicial District, including to Lancome, Christian Dior, Clarins, Maybelline and Avon. As a result of its high quality products and superior customer service, Shya Hsin China's sales in the United States exceed \$50 million each year.

3. Shya Hsin Packaging USA Corp. (Shya Hsin USA) is a corporation organized and existing under the laws of the State of New Jersey and having its principal place of business at 84 Washington St., Third Floor East, Hoboken, New Jersey 07030. Shya Hsin USA assists Shya Hsin China in the design and development of custom products for its customers, and conducts marketing and sales of Shya Hsin China products throughout the United States, and including in this Judicial District. Shya Hsin China and Shya Hsin USA will collectively be referred to as "Shya Hsin."

4. On information and belief, Defendant Zen Design is a corporation organized and existing under the laws of Hong Kong and has a principal place of business at Flat H, 15/F, Block 7, Suite 11, Whampoa Garden, Kowloon, Hong Kong.

5. On information and belief, Zen Design manufactures packaging, containers and applicators for cosmetic products for resale to cosmetic companies in the United States including in this Judicial District.

**NATURE OF CLAIMS, JURISDICTION AND VENUE**

6. This is an action for declaratory relief and there is an actual controversy between the parties, pursuant to 28 U.S.C. § 2201 and 2202.

7. This action arises under the Patent laws of the United States (35 U.S.C. § 1 *et. seq.*) and the common law of the State of New York.

8. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a) and (b) and 1367, and the pendent jurisdiction of this Court.

9. Zen Design is present in this Judicial District, and this Court has personal jurisdiction over it, at least because Zen Design has alleged infringement of the patents in suit against Shya Hsin's customer, Maesa Engineering Beauty, which is located in New York City in this Judicial District. On information and belief, Zen Design also conducts substantial business and distributes its products in interstate commerce in the United States including in this Judicial District. Therefore, Zen Design has purposefully engaged in, and continues to engage in, activities giving rise to the claims alleged herein in this Judicial District which are directed to residents of New York in this Judicial District.

10. Zen Design is present in this Judicial District, and the Court has personal jurisdiction over it, because its tortious acts have caused injury within this Judicial District, and it knew or reasonably should have expected that its tortious acts would result in injury within this Judicial District.

11. Venue is proper within this Judicial District under 28 U.S.C. §§ 1391(b) and (c).

**FACTS COMMON TO ALL CLAIMS FOR RELIEF**

12. Since 2010, Shya Hsin has been manufacturing and selling a mascara container which has a retractable, twisting brush applicator (hereinafter referred to as the “Shya Hsin Applicator”). Shya Hsin has been selling the Shya Hsin Applicator to cosmetic companies throughout the world, and throughout the United States including within this Judicial District.

13. One of Shya Hsin’s customers for the Shya Hsin Applicator is a company called Maesa Engineering Beauty (“Maesa”) which is located in New York City, in this Judicial District. Maesa also has purchased, and continues to purchase, other cosmetic packaging products from Shya Hsin. Based on the positive and fruitful relationship that Shya Hsin has established with Maesa, Shya Hsin expects that Maesa will continue to purchase new and additional products from Shya Hsin.

14. Zen Design is the recorded owner of U.S. Patent No. 8,251,074, issued August 28, 2012 (“the ‘074 patent”), based on a patent application filed on December 21, 2010. Zen Design also is the recorded owner of U.S. Patent No. 8,881,745, issued November 11, 2014 (“the ‘745 patent”), based on a patent application filed on August 1, 2012. (The ‘074 and ‘745 patents collectively will be referred to as the “patents in suit”). The claims of the patents in suit purport to cover a retractable, twisting mascara brush applicator.

15. On information and belief, Zen Design does not make or sell any product which embodies the alleged inventions claimed in the patents in suit.

**Zen Design’s Allegations Against Shya Hsin’s Customer**

16. On October 30, 2014, Zen Design sent a letter to Maesa, alleging that Maesa may infringe at least one claim of the patents in suit by selling a mascara product which includes the

Shya Hsin Applicator, and demanding that Maesa enter into a license agreement and pay a royalty to Zen Design.

17. In order to prevent Zen Design from continuing to contact and threaten its customer with patent infringement, Shya Hsin, by its counsel, wrote to Zen Design on December 9, 2014, and advised Zen Design that the Shya Hsin Applicator sold by Shya Hsin's customer does not infringe any valid claim of the patents in suit. Zen Design did not respond to that communication.

18. Instead, on December 11, 2014, Zen Design sent an e-mail to Maesa, stating that "We do not recognize Shya Hsin Packaging USA Corp. to be relevant in the issue pursued by us against Maesa" and repeating its allegation of infringement. On February 3, 2015, Zen Design wrote again to Maesa, demanding that Maesa pay a substantial and unreasonable royalty for alleged infringement of the patents in suit.

19. In response to Zen Design's demand to Maesa, Shya Hsin directly contacted Zen Design in an effort to resolve Zen Design's allegations against Maesa. However, On February 12, 2015, Zen Design wrote again to Maesa and repeated its threat of legal action.

20. On information and belief, and as reflected by its continued direct communication with Maesa, Zen Design refuses to deal with Shya Hsin.

21. Zen Design's communications directed to Maesa concerning alleged infringement of the patents in suit by the Shya Hsin Applicator create an actual and justiciable controversy between Shya Hsin and Zen Design as to whether the Shya Hsin Applicator infringes the patents in suit and whether the patents in suit are invalid and/or unenforceable.

Shya Hsin's Commercial Activity Prior To Zen Design's Date Of Invention

22. The Shya Hsin Applicator was designed and manufactured, and Shya Hsin began to promote the sale of that product, including distributing samples of the product, long before Zen Design's application filing date and date of invention, December 21, 2010.

23. The Shya Hsin Applicator was disclosed in a printed publication before December 21, 2010.

24. Also before December 21, 2010, Shya Hsin disclosed the Shya Hsin Applicator and provided samples of the product to individuals who, on information and belief, were employees or representatives of Zen Design or its affiliates.

25. Also before December 21, 2010, the Shya Hsin Applicator was disclosed, and samples of the Shya Hsin Applicator were supplied, to U.S. customers and potential customers.

Zen Design's Conduct Before The U.S. Patent And Trademark Office

26. On information and belief, Zen Design and the inventors named on the patents in suit knew of the Shya Hsin Applicator before December 21, 2010.

27. The Shya Hsin Applicator is material to the patentability of the patents in suit, at least in view of Zen Design's position that the patent claims as issued read on that product.

28. On information and belief, Zen Design and the inventors named on the patents in suit knew the Shya Hsin Applicator was material to the patentability of the patents in suit, at least in view of Zen Design's position that the patent claims as issued read on that product.

29. On information and belief, Zen Design and the inventors named on the patents in suit made a deliberate decision to withhold information about the Shya Hsin Applicator from the U.S. Patent and Trademark Office while the patents in suit were pending, and specifically between

December 21, 1020 and August 28, 2012 for the '074 patent, and between August 1, 2012 and November 11, 2014 for the '745 patent.

30. On information and belief, Zen Design and the inventors named on the patents in suit knew that they did not invent the subject matter which Zen Design alleges is covered by the claims of the patents in suit.

31. On information and belief, Zen Design and the inventors named on the patents in suit made a deliberate decision to present a false Declaration of inventorship on December 21, 2010 for the '074 patent, and on August 1, 2012 for the '74 patent, and withhold information about their lack of invention from the U.S. Patent and Trademark Office while the patents in suit were pending, and specifically between December 21, 1020 and August 28, 2012 for the '074 patent, and between August 1, 2012 and November 11, 2014 for the '745 patent.

### **CLAIMS FOR RELIEF**

#### **COUNT 1 – DECLARATION OF NO PATENT INFRINGEMENT**

32. This cause of action arises under the United States Patent Act, 35 U.S.C. § 1, *et seq.*

33. Shya Hsin repeats and realleges the allegations set forth above and incorporates them herein by reference.

34. Shya Hsin has not infringed, and is not infringing, any valid claim of the '074 or '745 patents at least because the Shya Hsin Applicator does not contain a “filament” as each and every claim of the patents in suit require.

35. Shya Hsin has not induced, and is not inducing, infringement of any valid claim of the '074 or '745 patents.

36. Shya Hsin has not contributorily infringed, and is not contributorily infringing, any valid claim of the '074 or '745 patents.

37. Shya Hsin is entitled to a declaration that it has not directly, contributorily or by inducement infringed any valid claim of the '074 or '745 patents.

38. Shya Hsin has no adequate remedy at law.

39. There has been and continues to be an actual and justiciable controversy between Shya Hsin and Zen Design regarding alleged infringement of the '074 and '745 patents.

**COUNT 2 – DECLARATION OF PATENT INVALIDITY**

40. This cause of action arises under the United States Patent Act, 35 U.S.C. § 1, et seq.

41. Shya Hsin repeats and realleges the allegations set forth above and incorporates them herein by reference.

42. The claims of the '074 and '745 patents alleged to be infringed, as Zen Design seeks to construe those claims, are invalid for failing to comply with the statutory requirements of patentability set forth in 35 U.S.C. § 102 at least because the claimed invention was known or used by others in the United States before the date of invention based on the disclosure of the Shya Hsin Applicator U.S. customers and potential customers; because the claimed invention was described in a printed publication before the date of invention; because the Shya Hsin Applicator anticipates the claimed invention; and because the inventors named on the patents in suit did not invent the subject matter of the patent claims.

43. The claims of the '074 and '745 patents alleged to be infringed are invalid for failing to comply with the statutory requirements of patentability set forth in 35 U.S.C. § 103 at least because the claimed invention would have been obvious to a person having ordinary skill in the art at the time of the invention in view of the Shya Hsin Applicator.

44. The claims of the '074 and '745 patents alleged to be infringed are invalid for failing to comply with the statutory requirements of patentability set forth in 35 U.S.C. § 112 at least



because the written description does not provide support for the claims as Zen Design seeks to construe them; the specification does not contain enabling disclosure for the full scope of the claims as Zen Design seeks to construe them; the claims are indefinite as Zen Design seeks to construe them; and the claims as Zen Design seeks to construe them do not reflect what the inventors regarded as their invention.

45. Shya Hsin has no adequate remedy at law.

46. There has been and continues to be an actual and justiciable controversy between Shya Hsin and Zen Design regarding the validity of the '074 and '745 patents.

**COUNT 3 – DECLARATION OF UNENFORCEABILITY**

47. This cause of action arises under the United States Patent Act, 35 U.S.C. § 1, et seq.

48. Shya Hsin repeats and realleges the allegations set forth above and incorporates them herein by reference.

49. On information and belief, Zen Design and the inventors named on the patents in suit knew of the Shya Hsin Applicator before December 21, 2010 and knew that the Shya Hsin Applicator was material to the patentability of the patents in suit, although they made a deliberate decision to withhold information about the Shya Hsin Applicator from the U.S. Patent and Trademark Office while the patents in suit were pending, and specifically between December 21, 2010 and August 28, 2012 for the '074 patent, and between August 1, 2012 and November 11, 2014 for the '745 patent.

50. On information and belief, Zen Design and the inventors named on the patents in suit knew that they did not invent the subject matter which Zen Design alleges is covered by the claims of the patents in suit, they knew this information was material to the patentability of the patents in suit, although they made a deliberate decision to submit a false Declaration of

inventorship on December 21, 2010 for the '074 patent, and on August 1, 2012 for the '745 patent, and withhold information concerning their lack of invention from the U.S. Patent and Trademark Office while the patents in suit were pending, and specifically between December 21, 2010 and August 28, 2012 for the '074 patent, and between August 1, 2012 and November 11, 2014 for the '745 patent.

51. By deliberately withholding information about the Shya Hsin Applicator and information pertaining to the fact that the named inventors derived the subject matter sought to be patented from another person, Zen Design improperly claimed continuation-in-part status for the patents in suit thereby rendering them unenforceable.

52. Shya Hsin has no adequate remedy at law.

53. There has been and continues to be an actual and justiciable controversy between Shya Hsin and Zen Design regarding the enforceability validity of the '074 and '745 patents.

**COUNT 4 – TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONSHIP**

54. This cause of action arises under the common law of the State of New York.

55. Shya Hsin repeats and realleges the allegations set forth in above and incorporates them herein by reference.

56. Shya Hsin has a contractual relationship with its customer Maesa.

57. On information and belief, Zen Design is and at all relevant times has been aware of that contractual relationship.

58. On information and belief, Zen Design is without justification intentionally inducing Maesa to breach its contract with Shya Hsin or to otherwise render performance impossible.

59. Shya Hsin has suffered and is continuing to suffer injury from Zen Design's conduct.

60. Shya Hsin has no adequate remedy at law.

**COUNT 5 – TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIP**

61. Shya Hsin repeats and realleges the allegations set forth above and incorporates them herein by reference.

62. On information and belief, Zen Design is and at all relevant times has been aware of the business relationship between Shya Hsin and Maesa.

63. Zen Design has and continues to interfere with that relationship using wrongful means and for the sole purpose of harming Shya Hsin in its relationship with its customer and in its goodwill.

64. Shya Hsin has suffered and is continuing to suffer injury from Zen Design's conduct.

**WHEREFORE**, Shya Hsin requests the following relief:

A. Judgment be entered declaration that the '074 and '745 patents are not infringed by the Shya Hsin Applicator;

B. Judgment be entered declaring that the '074 and '745 patents are invalid;

C. Judgment be entered declaring that the '074 and '745 patents are unenforceable;

D. Judgment be entered declaring that Zen Design has tortiously interfered with Shya Hsin's contractual and business relationships;

E. Judgment be entered which requires Zen Design to pay to Shya Hsin any damages sustained by Shya Hsin as a result of Zen Design's acts of tortious interference;

F. Preliminary and permanent injunctions which preclude Zen Design, its officers, agents, servants, employees and attorneys and all those in active concert or participation with any of them, from tortiously interfering with Shya Hsin's contractual and business relationships and from communicating in any way demands for royalties or threats of litigation to Shya Hsin's

customers regarding the Shya Hsin Applicator, and to deliver corrective communications to any entity to whom Zen Design has made any such assertions;

G. Judgment be entered declaring this to be an exceptional case pursuant to 35 U.S.C. § 285 and awarding attorneys' fees, costs, and expenses to Shya Hsin in connection with this action;

H. Granting such other and further relief as this Court deems just and proper.

**JURY DEMAND**

Shya Hsin requests a trial by jury in this matter.

Dated: February 17, 2015

Respectfully submitted,



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